

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

RYAN PETERSEN,

Defendant.

Case No. 3:15-cv-04599-RS

**FINAL JUDGMENT**

The Securities and Exchange Commission (the “Commission”) having filed a Complaint and Defendant Ryan Petersen having entered a general appearance; consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein in paragraph XII); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

(a) to employ any device, scheme, or artifice to defraud;

1 (b) to make any untrue statement of a material fact or to omit to state a material  
2 fact necessary in order to make the statements made, in the light of the  
3 circumstances under which they were made, not misleading; or

4 (c) to engage in any act, practice, or course of business which operates or  
5 would operate as a fraud or deceit upon any person.

6 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in  
7 Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following  
8 who receive actual notice of this Final Judgment by personal service or otherwise:

9 (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons  
10 in active concert or participation with Defendant or with anyone described in (a).

11 II.

12 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
13 Defendant is permanently restrained and enjoined from violating Section 17(a) of the  
14 Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale of  
15 any security by the use of any means or instruments of transportation or communication in  
16 interstate commerce or by use of the mails, directly or indirectly:

17 (a) to employ any device, scheme, or artifice to defraud;

18 (b) to obtain money or property by means of any untrue statement of a material  
19 fact or any omission of a material fact necessary in order to make the  
20 statements made, in light of the circumstances under which they were made,  
21 not misleading; or

22 (c) to engage in any transaction, practice, or course of business which operates  
23 or would operate as a fraud or deceit upon the purchaser.

24 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in  
25 Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following  
26 who receive actual notice of this Final Judgment by personal service or otherwise:

27 (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons

1 in active concert or participation with Defendant or with anyone described in (a).

2 III.

3 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
4 Defendant is permanently restrained and enjoined from violating Section 13(b)(5) of the  
5 Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78m(b)(5)] by knowingly  
6 circumventing a system of internal accounting controls; knowingly failing to implement a  
7 system of internal accounting controls; or knowingly falsifying any book, record, or  
8 account described in Section 13(b)(2) of the Exchange Act [15 U.S.C. § 78m(b)(2)].

9 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in  
10 Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following  
11 who receive actual notice of this Final Judgment by personal service or otherwise: (a)  
12 Defendant’s officers, agents, servants, employees, and attorneys; and (b) other persons in  
13 active concert or participation with Defendant or with anyone described in (a).

14 IV.

15 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
16 Defendant is permanently restrained and enjoined from violating Exchange Act  
17 Rule 13a-14 [17 C.F.R. § 240.13a-14], directly or indirectly, by filing or causing to be filed  
18 any certification required by such rule that contains any untrue statement of material fact or  
19 omits to state a material fact necessary to make other statements made, in light of the  
20 circumstances under which they were made, not misleading.

21 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in  
22 Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following  
23 who receive actual notice of this Final Judgment by personal service or otherwise:  
24 (a) Defendant’s officers, agents, servants, employees, and attorneys; and (b) other persons  
25 in active concert or participation with Defendant or with anyone described in (a).

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Rule 13b2-1 of the Exchange Act [17 C.F.R. § 240.13b2-1] by, directly or indirectly, falsifying, or causing to be falsified, any book, record, or account subject to Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)].

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise:

(a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

VI.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Rule 13b2-2 of the Exchange Act [17 C.F.R. § 240.13b2-2] by directly or indirectly:

- (a) making or causing to be made a materially false or misleading statement or omitting to state, or causing another person to omit to state, any material fact necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading, to an accountant in connection with (i) any audit, review, or examination of the financial statements of an issuer ; or (ii) the preparation or filing of any document or report required to be filed with the Commission; or
- (b) taking any action to coerce, manipulate, mislead, or fraudulently influence any independent public or certified public accountant engaged in the performance of an audit or review of the financial statements of that issuer that are required to be filed with the Commission, if that person knew or



Section 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2) (B)] by knowingly or recklessly providing substantial assistance to an issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)], in failing:

- (a) to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer; or
- (b) to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise:

- (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

#### IX.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and Section 20(e) of the

1 Securities Act [15 U.S.C. § 77t(e)], Defendant is prohibited from acting as an officer or  
2 director of any issuer that has a class of securities registered pursuant to Section 12 of the  
3 Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d)  
4 of the Exchange Act [15 U.S.C. § 78o(d)].

5 X.

6 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is  
7 liable for disgorgement and relief pursuant to Section 304(a) of the Sarbanes-Oxley Act  
8 of 2002 [15 U.S.C. § 7243(a)] of \$121,600, representing profits gained as a result of the  
9 conduct alleged in the Complaint, together with prejudgment interest on the disgorgement  
10 in the amount of \$18,400 and a civil penalty in the amount of \$100,000 pursuant to Section  
11 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d) of the Exchange Act [15  
12 U.S.C. § 78u(d)]. Defendant shall satisfy this obligation by paying \$240,000 to the  
13 Commission within 14 days after entry of this Final Judgment.

14 Defendant may transmit payment electronically to the Commission, which will  
15 provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be  
16 made directly from a bank account via Pay.gov through the SEC website  
17 at <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified check,  
18 bank cashier's check, or United States postal money order payable to the Securities and  
19 Exchange Commission, which shall be delivered or mailed to

20 Enterprise Services Center  
21 Accounts Receivable Branch  
22 6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

23 and shall be accompanied by a letter identifying the case title, civil action number, and  
24 name of this Court; Ryan Petersen as the defendant in this action; and specifying that  
25 payment is made pursuant to this Final Judgment.

26 Defendant shall simultaneously transmit photocopies of evidence of payment and  
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1 case identifying information to the Commission's counsel in this action. By making this  
2 payment, Defendant relinquishes all legal and equitable right, title, and interest in such  
3 funds and no part of the funds shall be returned to Defendant. The Commission shall send  
4 the funds paid pursuant to this Final Judgment to the United States Treasury.

5 The Commission may enforce the Court's judgment for disgorgement and  
6 prejudgment interest by moving for civil contempt (and/or through other collection  
7 procedures authorized by law) at any time after 14 days following entry of this Final  
8 Judgment. Defendant shall pay post judgment interest on any delinquent amounts pursuant  
9 to 28 U.S.C. § 1961.

10 XI.

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is  
12 incorporated herein with the same force and effect as if fully set forth herein, and that  
13 Defendant shall comply with all of the undertakings and agreements set forth therein.

14 XII.

15 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for  
16 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code,  
17 11 U.S.C. § 523, the allegations in the Complaint are true and admitted by Defendant, and  
18 further, any debt for disgorgement, prejudgment interest, civil penalty, or other amounts  
19 due by Defendant under this Final Judgment or any other judgment, order, consent order,  
20 decree, or settlement agreement entered in connection with this proceeding, is a debt for  
21 the violation by Defendant of the federal securities laws or any regulation or order issued  
22 under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C.  
23 § 523(a)(19).



XIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

Dated: June 30, 2017

  
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RICHARD SEEBORG  
UNITED STATES DISTRICT JUDGE